Manitoba Lotteries Corporation

Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.

For Further Information Contact:

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Manitoba Lotteries

FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED
JUNE 30, 2009

MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 3 months ended June 30, 2009 was $81.7 million, a decrease of $2.8 million from the same period last year. This change is due to decreases of $2.1 million in Video Lotto and $2.2 million in the Casinos, offset by an increase in Lottery of $1.5 million.

Revenue and other income, net of cost of sales, decreased $0.9 million from the same period last year. Operating expenses increased $1.9 million over the same period last year. Amortization, interest and GST expenses decreased $0.3 million over the same period last year, and allocations and payments increased by $0.3 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
3 Months Ended June 30th

	2009				2008
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	$88,271	$55,811	$50,118	$194,200	$197,775
Cost of sales	27,840	2,446	32,769	63,055	65,736
	60,431	**53,365**	**17,349**	**131,145**	**132,039**
Expenses					
Operating	2,569	28,961	1,257	32,787	30,898
Amortization	3,809	5,019	-	8,828	8,933
Interest expense – long-term	763	1,773	60	2,596	2,800
Goods and services tax	1,104	180	14	1,298	1,326
	8,245	**35,933**	**1,331**	**45,509**	**43,957**
Income before Allocations and Payments	**52,186**	**17,432**	**16,018**	**85,636**	**88,082**
Allocations and Payments	**941**	**1,510**	**1,530**	**3,981**	**3,665**
Net Income and Comprehensive Income	**$51,245**	**$15,922**	**$14,488**	**$81,655**	**$84,417**

MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, unaudited)
June 30th

	2009	2008
ASSETS		
Current Assets		
Cash	$ 18,235	$ 18,497
Accounts receivable	14,903	15,194
Prepaid expenses	6,488	5,142
Inventories	3,252	2,580
	42,878	41,413
Property and Equipment, and Other Assets	161,556	175,218
	$204,434	$216,631
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	$25,505	$24,498
Payable to the Province of Manitoba	3,755	9,117
Current portion of long term debt	13,482	12,846
	42,742	46,461
Long Term Debt	156,125	164,791
Provision for Employee Pension Benefits	567	379
Retained Earnings	5,000	5,000
	$204,434	$216,631